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engineer and his apparent unfamiliarity with the problems, methods, and work of financiers, merchants, and economists will enable one to understand certain evident deficiencies in his treatment of industrial problems. For example, the statement on which he lays greatest emphasis is this: "The authority to issue an order involves the responsibility to see that it is properly executed." It would be hard to overestimate the value and significance of this as applied to the administrator who is concerned with the detailed execution of policies. But after all no degree of perfection in administration will enable a business to succeed which is based on mistaken policies. To formulate and execute policies is not the function of the administrator but of the director; and the ablest directors are rarely those who know the details of administration so well that they can be held responsible for seeing that the details are properly executed. With human limitations as they are, the director must rely for this on the administrator.

Granting that this book deals primarily with industrial administrative leadership, it contains a wealth of sound advice based on a wide and successful experience. As an organizer and administrator Mr. Gantt is doubtless, by reason of seniority and accomplishment, the leading exponent of the principles of scientific management, largely derived from the late F. W. Taylor to whom Mr. Gantt pays sincere tribute. In this book he lays down the principles of leadership by which he has himself attained the position of a leader. The formulation is loose and unschematic, but is usually clear and expressed in terms intelligible to the average student or reader.

This is not a scientific book nor an exposition of scientific management. It is "wisdom literature" for the guidance of men young or old who are engaged in the administration of industrial enterprises, and as such it is to be highly commended.

C. BERTRAND THOMPSON.

*The Economics of Retailing.* By PAUL H. NYSTROM. (New York: The Ronald Press Company. 1915. Pp. xi, 407. \$2.00.)

The dual aim of this book is "to present fact material" and "to suggest constructive thought on the subject of retail distribution." Neither of these is an easy task. Fact material about retailing is difficult to obtain unless one has more time and larger opportunity to accumulate it than is common. Constructive thinking on a subject so intricate as this and so difficult to understand completely (even in its least complex forms)

is rare and is not easily kept within the limits set upon it by the facts.

Mr. Nystrom has performed both of his tasks well. His facts are full and accurate. They evidently represent the fruits of his special investigations into various retail problems, which have been made public in his testimony before congressional committees and elsewhere. They also bear evidence of having been enriched by his work in extension lectures and merchants' short course work in western states while he was connected with the universities of Wisconsin and Minnesota. A further service is rendered in the suggestions for constructive thinking which grow out of the use of the facts in connection with underlying and accepted principles of economics.

The book opens with a discussion of merchandise distribution and the distributive system, including a statement of some of the most pressing problems of the retail distributing system, followed by a survey of the development of the system itself and a brief sketch of the history of the meager literature on the subject. The twelve succeeding chapters are made up chiefly of the fact material to which Mr. Nystrom refers in his preface. After a consideration of the consumer as one of the factors controlling the present system comes a group of chapters which outline the present status of retailing, particularly in relation to the principal items of expense—such as wages of sales people, and rent. These lead to a discussion of wages and rent which puts certain familiar economic problems before the reader in an entirely new dress. The same service is performed by the chapter on How Retail Prices are Fixed. Separate chapters are devoted to the department store, the chain store, and the mail order house; and the effect of each upon competitive conditions in retail distribution is made clear.

Chapters 15 to 19 deal with certain of the more complex economic problems involved in the operation of modern processes of retail distribution. A chapter on Price Maintenance leads directly to a consideration of the problem of inside prices. The other chapters in this group cover the live questions: Are there too many retail stores? public regulation of retail business; and the ideal retailing system.

Opportunities for constructive thought are by no means confined to these final chapters. For example, chapter 11, which strictly speaking belongs in the "fact material" section of the

book, includes a discussion of how retail prices are fixed and makes the point that the retailer is put to the necessity of knowing his costs accurately; it considers quite fully the part which speed of turnover has come to play in the problems of merchandise distribution; and touches upon fashion and the spread of the "one price to all" theory which has been accepted as a basis for widespread practice in retail stores. The conclusion of the chapter on *Are There Too Many Retail Stores?* does indeed afford ground for constructive thought.

In conclusion it may be stated that, from the standpoint of the entire public, there is nothing to indicate that the great number of retail stores adds anything to the burden of expense the consumer must bear. The high failure-rate in the retail business would seem to indicate that retail distribution is supported, in part at least, not by the consumers who patronize the stores, but by the great numbers who enter the business of retailing with capital accumulated in other occupations and then lose it in the retailing venture. The losses of dealers who fail are primarily the losses of the dealers themselves. Only in the most general way of speaking could one assert that the public must bear the burden. Certainly, no extra burden is added to the prices charged consumers because of the keenness of competition resulting from too many stores (p. 335).

Mr. Nystrom's final chapter will also repay careful reading. It considers the ideal retailing system and emphasizes the value of really scientific work in the investigation of the subject of merchandise distribution and particularly the retail field. He says:

It is probable that the greatest progress to come in retailing will not result from any readjustment brought about by public action, though this may be a necessary part of its evolution, but rather from a scientific study of the problem of distributing goods made by retailers and their sales-people themselves. The costs of distribution are admittedly too high at present for the services performed. If these costs could be generally reduced, for example, as much as 2 per cent, it would mean a saving of from \$200,000,000 to \$300,000,000 annually to the United States alone. This saving would first take the form of added profits to the distributors but ultimately would go to the consumers as a whole. But 2 per cent is a very conservative estimate of reductions that may be made when those engaged in the business shall have been properly educated for their work. It may not be too much to say that savings of twice or even three times this amount are possible.

This leads him to the conclusion that there is no reason why scientific study and education should not do for distribution something analogous to what it is doing for agriculture. The

process by which this is to be achieved, he intimates, will include not only an ascertainment and examination of the facts by detached scientists but a real spreading of scientific knowledge and sound scientific principles among those who are actively engaged in the business. Any such program as this obviously puts a new and large responsibility upon those educational institutions which are undertaking the preparation of men for business. There is abundant evidence that these institutions are responding to this new responsibility.

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#### NEW BOOKS

ALLEN, F. J. *Business employments*. (Boston: Ginn. 1916. Pp. 230. \$1.)

BAILLET, H. F. *Overheard expense and percentage methods; a lecture on the cost of doing business, explaining how to find it and what to do with it when found*. (New York: David Williams Co. 1915. Pp. 128. \$1.)

BARTHOLOMEW, J. R. *Direct reading interest tables*. Bond cage edition. (New York: J. R. Bartholomew, care of Lee, Higginson & Co. 1915. Pp. 68. \$5.)

BENTLEY, H. C. *Accounting problems*. Pt. 1, *Class problems*. Pt. 2, *Home problems*. (New York: Ronald Press. 1915. \$2.)

BOLTON, R. P. *Power for profit. Principles governing the use of machinery and labor in modern buildings*. (New York: De Vinne Press. 1915. Pp. 209. \$2.50.)

The purpose of this book is to set forth in non-technical fashion, for the benefit of real estate owners, the principles which affect expenditures of capital in connection with the services involved in the conduct of modern buildings, and the operation of heat and power generating machinery. Problems which modern inventions and habits have fastened upon ownership of real estate are dealt with, as, for example, expenses of sub-basements, cost of free services, depreciation of machinery, re-use of steam and water, operation of elevators, gas as a fuel, handling of labor, load factor, sanitary systems, and the deceptive appearance of unit costs. Necessarily the treatment is often rather summary. The chapter on Limits of Heating Work and Value contains 8 pages and touches upon determination of maximum heating requirements, seasonal fluctuations, lighting during the daytime, power for elevator service, low-pressure heating systems, and condensation of steam in mains and cylinders. On the whole, the book answers a definite need. The author has approached his problem in a common sense and practical manner